

Garnishments & Bankruptcy in New Jersey

by Levitt & Slafkes, P.C. on September 20, 2013



Garnishment is a tool used by creditors to collect money from you after they have obtained a judgment against you. Bankruptcy is a tool consumers can use to discharge or eliminate their debt. Many debtors file for [bankruptcy protection](#) as a means for stopping the garnishments pending against them.

A wage garnishment occurs when a creditor serves your employer with garnishment papers which demands that your employer deduct a specified amount from all of your wages. This amount can be deducted each time you get paid until the creditor is paid in full. If your employer fails to comply with the garnishment order, they could be held liable for the debt that is due.

It is important to understand that wage garnishments are limited to a percentage of your "disposable earnings" under federal law. Your disposable earnings are the amount that is remaining after taxes and other required deductions are taken out of your paycheck. Sources of income such as social security benefits cannot be garnished.

How does bankruptcy help with a garnishment action? As soon as you file your bankruptcy case, the automatic stay goes into effect and halts all collection efforts against you, including garnishments. As a result, you will start to receive your full paycheck again. If the debt linked to the garnishment action is discharged in your bankruptcy case, the creditor can no longer pursue a garnishment (or any other collection action) against you.

If you have a garnishment pending against you, contact a bankruptcy lawyer at [Levitt & Slafkes](#) to discuss how filing a Chapter 7 or Chapter 13 case could benefit you.

We are bankruptcy lawyers who know how to make a difference in your financial situation. We have experience you can rely on and we care about your results. Contact our New Jersey law firm [online](#) by filling out the form or by calling 973-323-2953 to schedule a free initial consultation with an attorney at [Levitt & Slafkes, PC](#).

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